

## Message Text

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ORIGIN EB-08

INFO OCT-01 EA-10 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SS-15  
H-01 ICA-11 IO-13 PA-01 NSC-05 /080 R

DRAFTED BY EB/AVP:GGRIFITHS:RAB?OWN:LO  
APPROVED BY EB/AN:RABROWN  
EB/OA/AVP:AJWHITE  
EA/ANP:FBENNETT  
CAB:JHORNEMAN

-----008998 290029Z /13

P 282155Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY CANBERRA PRIORITY  
INFO AMEMBASSY WELLINGTON PRIORITY

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E.O. 11652: N/A

TAGS: EAIR, AS

SUBJECT: CIVAIR: NOTICE OF DISSATISFACTION WITH PAN AM FARE  
- "  
REF: (A) CANBERRA 5673, (B) CANBERRA 5866

1. AUSTRALIAN EMBASSY SENT LETTER DATED JULY 19 TO  
DEPARTMENT RE PROPOSED PAN AM BUDGET FARES FOR TRAVEL  
BETWEEN AUSTRALIA AND THE UNITED STATES. TEXT OF LETTER  
FOLLOWS: QUOTE DEAR MR. BROWN: REFERENCE IS MADE TO OUR  
TELEPHONE CONVERSATION OF 19 JULY 1978, REGARDING A  
FURTHER TARIFF FILING FROM PAN AM ON 5 JULY 1978, FOR  
APPROVAL TO APPLY BUDGET FARES BETWEEN AUSTRALIA AND THE  
UNITED STATES. AS DISCUSSED, THE AUSTRALN DEPARTMENT OF  
TRANSPORT HAS REJECTED THE FILING AND PAN AM WAS ADVISED  
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ACCORDINGLY ON 19 JULY 1978. SINCERELY, G. BAILEY.  
UNQUOTE.

2. DEPARTMENT SOMEWHAT CONFUSED BY GOA LETTER SINCE IT IS  
LACKING IN BOTH FORM AND SUBSTANCE. ACCORDINGLY, DEPART-  
MENT WOULD LIKE EMBASSY TO DELIVER AN AIDE-MEMOIRE TO  
GOA ON THIS SUBJECT. TEXT OF AIDE-MEMOIRE FOLLOWS: QUOTE

THE AUSTRALIAN EMBASSY DELIVERED A LETTER DATED JULY 19 TO THE DEPARTMENT OF STATE REGARDING THE PROPOSED PAN AM BUDGET FARES FOR AIR TRAVEL BETWEEN AUSTRALIA AND THE UNITED STATES. THE LETTER STATED THAT THE PAN AM FILING

HAD BEEN REJECTED BY THE DEPARTMENT OF TRANSPORT.

SECTION IV OF THE ANNEX TO THE US-AUSTRALIA AIR TRANSPORT SERVICES AGREEMENT OF DECEMBER 3, 1946, ESTABLISHES THE PROCEDURES TO BE FOLLOWED REGARDING THE DETERMINATION OF RATES BETWEEN AUSTRALIA AND THE UNITED STATES. PARAGRAPH F OF SECTION IV SETS DOWN THE PROCEDURAL REQUIREMENTS FOR EXPRESSING DISSATISFACTION AFTER NEW FARES ARE PROPOSED. THE LETTER OF JULY 19 MAKES NO REFERENCE TO THE BILATERAL AGREEMENT, NOR DOES IT STATE THAT IT IS INTENDED TO BE A NOTICE OF DISSATISFACTION PURSUANT TO THE TERMS OF THE AGREEMENT ALTHOUGH A PROPERLY ISSUED NOTICE OF DISSATISFACTION SHOULD PRECEDE ANY REJECTION OF A PROPOSED FARE.

BEYOND THE PROCEDURAL QUESTION, WE NOTE THAT THE JULY 19 LETTER STATES THAT THE FARES ARE REJECTED, BUT PROVIDES NO ECONOMIC JUSTIFICATION FOR REJECTION. WE WOULD HOPE THAT THE AUSTRALIAN GOVERNMENT WOULD DELINEATE ITS ECONOMIC REASONING TO THE US GOVERNMENT. WE ARE MINDFUL OF RECENT STATEMENTS BY MEMBERS OF THE AUSTRALIAN GOVERNMENT.

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MENT WHICH INDICATE SUPPORT FOR LOWER FARES BETWEEN AUSTRALIA AND THE UNITED STATES. THE ACTION TAKEN IN THE JULY 19 LETTER APPEARS TO BE INCONSISTENT WITH THESE STATEMENTS. SINCE US POLICY IS TO EXPEDITIOUSLY BRING ABOUT LOWER FARES, THE USG HOPES THE GOVERNMENT OF AUSTRALIA WILL RECONSIDER ITS ACTION IN LIGHT OF THE ABOVE. UNQUOTE.

3. ACTION REQUESTED: IF GOA HAS NOT ALREADY DOCUMENTED REJECTION TO EMBASSY, EMBASSY REQUESTED TO DELIVER AIDEMEMOIRE TO APPROPRIATE GOA OFFICIALS AND REPORT RESPONSE SOONEST.

4. COMMENT: GOA HAS PROVIDED US WITH THE NEEDLE TO BURST THE LOW FARE BALLOON AUSTRALIANS SEEM TO BE FLOATING. INTRODUCTION OF PAN AM LOW BUDGET FARES ARE NOT DEPENDENT UPON OUTCOME OF UPCOMING USG-GOA TALKS. IF GOA SINCERELY IN FAVOR OF LOW FARES, WHY IS IT REJECTING THE PAN AM FARES? VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR FARES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE191474  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** GGRIFFITHS:RAB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780311-0070  
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**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 917a6078-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
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**Reference:** 78 CANBERRA 5673, 78 CANBERRA 5866  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 28 apr 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2067694  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: NOTICE OF DISSATISFACTION WITH PAN AM FARE - \"  
**TAGS:** EAIR, AS, PANAM  
**To:** CANBERRA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/917a6078-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
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